

HOUSE BILL No. 1616

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-1.1; IC 2-8; IC 4-6-6-1; IC 4-13-1-15; IC 5-11; IC 5-14-3-5; IC 5-15-5.1-2; IC 5-21-2-10; IC 6-1.1-29-8; IC 10-2-2-22; IC 20-12-0.5-4; IC 36-2-13-9; IC 36-6-4-3; IC 36-7-18-37.

Synopsis: Governmental accountability. Abolishes the state board of accounts. Transfers the duties, functions, and powers of the state board of accounts to the legislative branch. Provides for continuity in board administration, procedures, and operations. Requires that financial reports audited on an annual basis comply with generally accepted accounting principles.

Effective: July 1, 2003.

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January 16, 2003, read first time and referred to Committee on Appointments and Claims.

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Introduced

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1616

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 2-5-1.1-6 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. The council shall:
- 3 (1) coordinate and assist the work of standing or interim
- 4 committees, subcommittees, or commissions appointed by the
- 5 council or at the direction of the general assembly or of the senate
- 6 or house of representatives;
- 7 (2) review the operations, budgetary practices, and expenditures
- 8 of all state agencies, including departments, boards, offices,
- 9 commissions, and political subdivisions;
- 10 (3) recommend such changes in the rules and procedures of the
- 11 senate and house of representatives as may advance the
- 12 consideration of legislation by the general assembly;
- 13 (4) work with the standing and interim committees,
- 14 subcommittees, and commissions of the general assembly or of
- 15 the senate or house of representatives to assure efficient
- 16 utilization of legislative services agency employees;
- 17 (5) publish such records, schedules, indexes, and reports as the

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general assembly may require;

(6) arrange and contract for the printing of bills, enrolled acts, session laws, journals, the Indiana Code and supplements to the Indiana Code, the Indiana Administrative Code and supplements to the Indiana Administrative Code, the Indiana Register, and the miscellaneous printing needs, supplies, and equipment of the council, legislative services agency, **state board of accounts**, and the general assembly;

(7) provide adequate quarters and office space for all legislative activities;

(8) serve as the policy making board for, and in general supervise the operation of, all staff services of the legislative services agency whether the general assembly is in or out of session;

(9) submit a report of its activities to the members of the general assembly and to the governor; ~~and~~

(10) do all other things necessary and proper to perform the functions of the legislative department;

(11) review a semiannual report from the state examiner that must at least provide an overview of the most recent semiannual operation of the state board of accounts. The report must include information pertaining to any trends in state or local government that may have a detrimental effect on state taxpayers;

(12) adopt rules governing personnel practices and benefits of the state board of accounts; and

(13) establish a pay scale for all employees of the state board of accounts, including the members of the board.

SECTION 2. IC 2-5-1.1-6.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 6.1. (a) A legislative council member may not contact the state board of accounts or discuss matters concerning audits of the state board of accounts other than in a public meeting of the council in accordance with IC 5-14-1.5.**

(b) It is unlawful for a deputy examiner, field examiner, or private examiner, before an examination report is made public as provided in IC 2-8-5-1, to make any disclosure of the result of an examination of a public account.

SECTION 3. IC 2-5-1.1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 11. The legislative council may examine the accounts, financial affairs, or performance of the state board of accounts. The examination is governed by IC 2-8. This examination may include a followup financial**

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examination of a sample of those examined by the state board of accounts.

SECTION 4. IC 2-8 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

ARTICLE 8. ACCOUNTING FOR PUBLIC FUNDS

Chapter 1. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Board" refers to the state board of accounts established by IC 2-8-2-1.

Sec. 3. "Council" refers to the legislative council created by IC 2-5-1.1-1.

Sec. 4. "Deputy examiner" refers to an officer appointed under IC 2-8-2-3.

Sec. 5. "Entity" means a provider of goods, services, or other benefits that is:

- (1) maintained in whole or in part at public expense; or
- (2) supported in whole or in part by appropriations, public funds, or taxation.

The term does not include the state or a political subdivision.

Sec. 6. "Field examiner" refers to an assistant of the state examiner appointed under IC 2-8-2-10.

Sec. 7. "Generally accepted accounting principles" are the uniform minimum standards of and guidelines to financial accounting and reporting established by the Governmental Accounting Standards Board (GASB).

Sec. 8. "Municipality" means a city or town.

Sec. 9. "Political subdivision" includes any county, township, city, town, school city, school corporation, school town, school township, special taxing district, board of park commissioners, or other political subdivision.

Sec. 10. "Private examiner" refers to a private examiner engaged or allowed to be engaged under IC 2-8-2-11.

Sec. 11. "Public hospital" means either of the following:

- (1) An institution licensed under IC 16-21 that is owned by the state or an agency of the state or that is a municipal corporation. A hospital is a municipal corporation if its governing board is appointed by elected officials of a political subdivision.
- (2) A state institution (as defined in IC 12-7-2-184).

Sec. 12. "Public office" means the office of an individual who for



or on behalf of the state or any political subdivision or any public hospital holds, receives, disburses, or keeps the accounts of the receipts and disbursements of any public funds.

Sec. 13. "Public officer" means an individual who holds, receives, disburses, or is required by law to keep an account of public funds or other funds for which the individual is accountable by virtue of the individual's public office.

Sec. 14. "State" means any board, commission, department, division, bureau, committee, agency, governmental subdivision, military body, authority, or other instrumentality of the state. The term does not include a political subdivision.

Sec. 15. "State examiner" refers to the state examiner appointed under IC 2-8-2-2.

Chapter 2. The State Board of Accounts

Sec. 1. The state board of accounts is established.

Sec. 2. (a) The legislative council shall appoint an individual to serve as state examiner. The state examiner serves a term of four (4) years.

(b) The state examiner must be a certified public accountant with at least seven (7) full years of active experience as a governmental auditor, at least two (2) of the seven (7) years experience being that of a field examiner with the state board of accounts.

(c) The state examiner is the executive officer of the board.

Sec. 3. (a) The legislative council shall appoint two (2) individuals to be deputy examiners. The deputy examiners serve terms of four (4) years.

(b) An individual appointed as a deputy examiner must be a certified public accountant with at least seven (7) full years of active experience as a governmental auditor, at least two (2) of the seven (7) years experience being that of a field examiner with the state board of accounts.

(c) The deputy examiners may not be members of the same political party.

(d) The deputy examiners are subordinate to the state examiner.

(e) The deputy examiners may be removed by the state examiner for incompetence or misconduct in office.

Sec. 4. (a) The state examiner may be removed by the legislative council for incompetence or misconduct in office.

(b) A state examiner removed under this section must be given the following before removal from office:

(1) Written notice of the reasons for removal.

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(2) A hearing.

(c) An appeal may be taken by the officer removed to the circuit court or a superior court of Marion County.

Sec. 5. (a) The board shall formulate, prescribe, and install a system of accounting and reporting under this chapter, which must:

(1) be uniform for every public office and every public account of the same class;

(2) exhibit true accounts and detailed statements of money collected, received, obligated, and expended for or on account of the public for any purpose and by all public officers, employees, or other individuals;

(3) show the receipt, use, and disposition of all public property and the income, if any, derived from the property;

(4) show all sources of public income and the amounts due and received from each source;

(5) show all receipts, vouchers, contracts, obligations, and other documents kept, or that may be required to be kept, to prove the validity of every transaction; and

(6) require that financial reports for:

(A) the state;

(B) cities;

(C) counties;

(D) public hospitals; and

(E) towns;

be in accordance with generally accepted accounting principles.

(b) The board shall formulate or approve the statements and reports necessary for the internal administration of the office to which they pertain.

(c) The board shall approve the reports that are published or that are required to be filed in the office of the state examiner.

(d) The board shall periodically make and enforce changes in the system and forms of accounting and reporting as necessary to conform to law.

Sec. 6. Notwithstanding section 5 of this chapter, the board may not require a political subdivision to use an electronic, an automated, or a computerized system of accounting and reporting. However, if a political subdivision elects to use an electronic, an automated, or a computerized system of accounting, the system must conform to the requirements of this chapter.

Sec. 7. Separate accounts shall be kept for every appropriation

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or fund of the state or any political subdivision. Separate accounts shall also be kept for each department, undertaking, enterprise, institution, and public service industry.

Sec. 8. (a) The state examiner shall require from each political subdivision and each state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year.

(b) Except as provided in subsection (c), the report required under subsection (a) shall be prepared, verified, and filed with the state examiner not later than thirty (30) days after the close of each fiscal year.

(c) A municipality shall prepare, verify, and file the reports required under subsection (a) not later than sixty (60) days after the end of each year.

Sec. 9. (a) The board shall formulate, prescribe, and approve the forms for reports required by this chapter.

(b) The state examiner annually shall furnish to the officers required by this chapter to make reports printed blanks and forms containing the information required, together with suitable printed instructions for filling out the blanks and forms.

Sec. 10. (a) The state examiner shall appoint field examiners not exceeding the number required to administer this article. The field examiners are at all times subject to the order and direction of the state examiner.

(b) Field examiners shall inspect and examine accounts of all state agencies, political subdivisions, and other governmental units, entities, or instrumentalities.

Sec. 11. (a) The state examiner may engage or allow the engagement of private examiners to the extent the state examiner determines necessary to satisfy the requirements of this article. The private examiners are subject to the direction of the state examiner while performing examinations under this article.

(b) The state examiner may engage experts to assist the board in carrying out its responsibilities under this article.

Sec. 12. (a) The field examiners shall be appointed from applicants who have successfully passed an open, competitive examination for appointment.

(b) The board shall publish notice of an examination required by this section in a newspaper of general circulation. The notice must state the date, time, and place of the examination.

(c) An examination must:

(1) be given under the direction of the board;

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(2) be practical in nature; and

(3) as much as possible, relate to matters that fairly test the relative capacity and fitness of the individuals examined to discharge the duties of a field examiner.

Sec. 13. Appointment of a field examiner shall be made solely on the fitness of the applicant and without regard to the political affiliation of the applicant.

Sec. 14. The board may:

(1) adopt rules under IC 4-22-2; and

(2) make bylaws;

for the enforcement of this article and other laws placing duties and responsibilities on the board.

Chapter 3. Accounting and Audit Procedures

Sec. 1. (a) The state examiner, deputy examiners, field examiners, or private examiners shall examine the accounts and financial affairs of each public office and officer, state office, state institution, and entity.

(b) An examination of an entity deriving:

(1) less than fifty percent (50%); or

(2) at least fifty percent (50%) but less than sixty thousand dollars (\$60,000) if the entity is organized as a nonprofit corporation;

of its disbursements from appropriations, public funds, taxes, and other sources of public expense during the period subject to an examination shall be limited to matters relevant to the use of the public money received by the entity.

Sec. 2. The state examiner may waive or defer an examination of an entity described in section 1 of this chapter if the state examiner determines in writing that all disbursements of public money during the period subject to examination were made for the purposes for which the money was received.

Sec. 3. (a) During an examination under this chapter, inquiry shall be made as to the following:

(1) The financial condition and resources of each political subdivision, office, institution, or entity.

(2) Whether the laws of the state and the requirements of the board have been complied with.

(3) The methods and accuracy of the accounts and reports of the person examined.

The examinations shall be made without notice.

(b) If during an examination of a state office under this chapter the examiner encounters an inefficiency in the operation of the

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1 state office, the examiner may comment on the inefficiency in the
2 examiner's report.

3 **Sec. 4. The state examiner, a deputy examiner, a field examiner,**
4 **or a private examiner, when engaged in making an examination or**
5 **when engaged in any official duty, is entitled to:**

6 (1) enter into any state, county, city, township, or other public
7 office in Indiana or any entity, agency, or instrumentality and
8 examine any books, papers, documents, or electronically
9 stored information to make an examination;

10 (2) have access, in the presence of the custodian or the
11 custodian's deputy, to the cash drawers and cash in the
12 custody of the officer; and

13 (3) during business hours, examine the public accounts in any
14 depository that has public funds in its custody under Indiana
15 law.

16 **Sec. 5. (a) The state examiner, a deputy examiner, or a field**
17 **examiner, when engaged in making an examination authorized by**
18 **law, may issue subpoenas for witnesses to appear before the**
19 **examiner in person or to produce books, papers, or other records**
20 **(including records stored in electronic data processing systems) for**
21 **inspection and examination. The subpoenas shall be served by a**
22 **person authorized to serve civil process from any court in Indiana.**

23 **(b) The state examiner, a deputy examiner, and a field examiner**
24 **may administer oaths and examine witnesses under oath orally or**
25 **by interrogatories concerning the matters under investigation and**
26 **examination. Under the authority of the state examiner, the oral**
27 **examinations may be transcribed, with the reasonable expense paid**
28 **by the examined person in the same manner as the compensation**
29 **of the field examiner is paid.**

30 **Sec. 6. If a witness who is subpoenaed as described in section 5**
31 **of this chapter:**

32 (1) refuses to:

33 (A) attend; or

34 (B) produce information required in the subpoena; or

35 (2) attends and refuses to:

36 (A) be sworn or affirmed; or

37 (B) testify when called upon to do so;

38 the state examiner may apply to the circuit court having
39 jurisdiction for the enforcement of attendance and answers to
40 questions as provided by law.

41 **Sec. 7. (a) The state examiner may not undertake an**
42 **examination of a public office, officer, or institution based on the**

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1 allegation of an individual, organization, or institution that a
2 violation of the law has occurred unless:

3 (1) the individual or representative of the organization or
4 institution makes the allegation in the form of a sworn
5 statement that the individual or representative believes the
6 allegation to be true; or

7 (2) the state examiner has probable cause to believe that a
8 violation of the law has occurred.

9 (b) A public office, officer, or institution may not retaliate
10 against an employee of the state or a political subdivision for
11 making the sworn statement described in subsection (a).

12 Sec. 8. A public officer who:

13 (1) fails to make, verify, and file with the state examiner a
14 report required by this chapter;

15 (2) fails to follow the directions of the state examiner in
16 keeping the accounts of the officer's office;

17 (3) refuses the state examiner, a deputy examiner, a field
18 examiner, or a private examiner access to the books, accounts,
19 papers, documents, cash drawer, or cash of the officer's
20 office; or

21 (4) interferes with an examiner in the discharge of the
22 examiner's official duties;

23 commits a Class B infraction and forfeits office.

24 Sec. 9. (a) Each public officer, board, commission, agency,
25 instrumentality, and institution in Indiana shall keep in the office
26 of the public officer, board, commission, agency, instrumentality,
27 and institution a record of money collected for the public treasury.
28 The board shall prescribe the forms and records for the
29 information required by this section for each class of offices.

30 (b) The records described in subsection (a) are public records
31 and must be accessible to the public during regular office hours.

32 Sec. 10. (a) This section applies to a public officer who has the
33 authority to:

34 (1) draw the warrant or check of the state or of any political
35 subdivision in disbursing its funds; or

36 (2) execute the receipt or quietus of the state or of a political
37 subdivision in settlement with public officers or with debtors.

38 (b) Before presenting the item for allowance to the authority
39 required to pass upon the item, the public officer shall do the
40 following:

41 (1) Make an examination of the claim as to the claim's form.

42 (2) Authenticate the claim as required by law, whether based

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upon contract or statutory authority, and as to the claim's apparent correctness.

(3) Upon presenting the claim, file with the claim the public officer's written certificate as to matters required in subdivisions (1) and (2).

(c) If the public officer has the authority under law to pass upon and allow the claim, the public officer shall, before drawing a warrant or check for the claim, certify to the correctness of the claim over the public officer's official signature.

(d) Before issuing the receipt or quietus of the state or political subdivision to a debtor or an officer making settlement, the issuing public officer shall do the following:

(1) Examine the report, account, or settlement sheet upon which settlement is made.

(2) Require from the debtor or other public officer the information, accounts, vouchers, or exhibits necessary to satisfy the issuing public officer of the correctness of the report, account, or settlement sheet.

(3) Certify on the report, account, or settlement sheet that the issuing public officer:

(A) has made the examination required by subdivisions (1) and (2); and

(B) is satisfied as to its correctness.

(e) A warrant, check, receipt, or quietus may not be issued by a public officer until the certificate required by subsection (d)(3) is executed and filed with the claim, report, account, or settlement sheet. If it is not practical for the public officer to certify to the correctness of each revenue or claim document, the board may prescribe other methods of preaudit to be performed before approval by the officer or the public officer's employees.

Sec. 11. The salaries and necessary traveling expenses of the state auditor, deputy examiners, and assistants when engaged in the business of the state shall be paid as otherwise provided by law.

Sec. 12. (a) Each deputy examiner and field examiner shall give bond for the faithful performance of the examiner's duties, as follows:

(1) The state examiner in the sum of five thousand dollars (\$5,000), to be approved by the legislative council.

(2) Each deputy examiner in the sum of three thousand dollars (\$3,000), to be approved by the legislative council.

(3) Each field examiner in the sum of one thousand dollars (\$1,000), to be approved by the state examiner.

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(b) Notwithstanding subsection (a)(3), a field examiner may be covered by a blanket bond or crime insurance policy endorsed to include faithful performance under IC 5-4-1-15.1 subject to approval of the state examiner.

(c) The commissioner of insurance shall prescribe the form of the bonds or crime policies required by this section.

Sec. 13. (a) All examinations under this chapter shall be made without notice to the officers whose accounts are to be examined and without notice to any clerk, deputy, employee, or other person employed in or connected with the office or the business of the officer.

(b) A person who recklessly communicates knowledge of a proposed examination of a public account to the officer in charge of the account or to any other unauthorized person commits a Class B misdemeanor.

Sec. 14. (a) A system for uniform bookkeeping or any book, record, or form may not be copyrighted unless the copyright is authorized by the legislative council. A copyright authorized under this section must be in the name of the state of Indiana.

(b) If a copyright is procured under subsection (a), acceptance by the state or by any political subdivision of a bid for printing the copyrighted material operates as a license from the state to the successful bidder to manufacture the copyrighted books, records, or forms included in the bid for public use without payment of royalty.

Sec. 15. All public books, records, and stationery:

(1) used in a public office; and

(2) for which examination is provided in this chapter; shall be purchased by the state, a political subdivision, or an institution in the manner provided by law.

Sec. 16. (a) All public officers shall adopt and use the books, forms, records, and systems of accounting and reporting adopted by the board when directed to do so by the board.

(b) The forms, books, and records shall be purchased by public officers in the manner provided by law.

(c) A public officer who:

(1) refuses to provide the books, forms, or records required by this section;

(2) fails to use the books, forms, or records; or

(3) fails to keep the accounts of the public officer's office as directed by the board;

commits a Class C infraction and forfeits the public officer's office.

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1 **Sec. 17. (a) The board shall establish uniform compliance**
 2 **guidelines for the examinations and reports required by this**
 3 **chapter. However, the board may not establish guidelines for the**
 4 **auditing of an entity that are inconsistent with any federal audit**
 5 **guidelines that govern the entity.**

6 **(b) If the board engages or authorizes the engagement of a**
 7 **private examiner to perform an examination under this chapter,**
 8 **the examination and report must comply with the guidelines**
 9 **established under subsection (a). If a person subject to examination**
 10 **under this chapter engages a private examiner, the contract with**
 11 **the private examiner must require the examination and report to**
 12 **comply with the uniform guidelines established under subsection**
 13 **(a).**

14 **(c) The state or a political subdivision may not request proposals**
 15 **for performing examinations of an entity that is subject to**
 16 **examination under this chapter unless the request for proposals**
 17 **has been submitted to and approved by the board.**

18 **(d) The state or a political subdivision may not enter into a**
 19 **contract with an entity subject to examination under this chapter**
 20 **if the contract does not permit the examinations and require the**
 21 **reports prescribed by this chapter.**

22 **Sec. 18. (a) Examinations under this chapter shall be conducted**
 23 **annually for the following:**

- 24 **(1) The state.**
- 25 **(2) Cities.**
- 26 **(3) Counties.**
- 27 **(4) Towns with a population of more than five thousand**
 28 **(5,000).**
- 29 **(5) Public hospitals.**

30 **(b) Subject to sections 1 through 6 of this chapter, examinations**
 31 **under this chapter shall be conducted biennially for:**

- 32 **(1) political subdivisions; and**
- 33 **(2) entities;**

34 **that are not listed in subsection (a).**

35 **Sec. 19. (a) If a state office, political subdivision, or other entity**
 36 **has authority to contract for the construction, reconstruction,**
 37 **alteration, repair, improvement, or maintenance of a public work,**
 38 **the board shall include in each examination report concerning the**
 39 **state office, political subdivision, or entity:**

- 40 **(1) an opinion concerning whether the state office, political**
 41 **subdivision, or entity has complied with IC 5-16-8; and**
- 42 **(2) a brief description of each instance in which the state**

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office, political subdivision, or entity has exercised its authority under IC 5-16-8-2(b) or IC 5-16-8-4.

(b) The board may exercise any of its powers under this chapter concerning public accounts to carry out this section, including the power to require a uniform system of accounting or the use of forms prescribed by the board.

Chapter 4. Payment of State Board of Accounts for the Investigation of Public Accounts

Sec. 1. (a) The traveling expenses of field examiners shall be allowed and paid on the same basis as provided by law for other state officers and employees when engaged on assignments.

(b) A field examiner shall be allowed transportation expense at the rate established by the budget committee for other state officers and employees.

(c) The board shall file claims monthly for compensation and traveling expenses of field examiners with the auditor of state. If the state examiner approves the claim, the auditor of state shall draw warrants to pay claims filed under this section.

Sec. 2. (a) The expense of examination and investigation of accounts shall be paid by each political subdivision or entity under this chapter.

(b) The state examiner shall not certify more often than monthly to the auditor of each county the amount chargeable to each taxing unit within the county for the expense of examinations under this chapter.

(c) Immediately upon receipt of the certified statement under subsection (b), the county auditor shall issue a warrant on the county treasurer payable to the treasurer of state out of the general fund of the county for the amount stated in the certificate. The county auditor shall reimburse the county general fund, except for the expense of examination and investigation of county offices, out of the money due the taxing units at the next semiannual settlement of the collection of taxes.

Sec. 3. If a county to which a claim is made is not in possession of or has not collected the money due or to be due to any examined political subdivision, then the certificate must be filed with and the warrant shall be drawn by the officer of the political subdivision having authority to draw warrants upon its funds. The political subdivision shall pay the warrant immediately. The money, when received by the treasurer of state, shall be deposited in the state general fund.

Sec. 4. (a) Except as provided in this chapter, each taxing unit

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shall be charged a fee to be determined by the legislative council, but not less than thirty dollars (\$30) per day for each field examiner, private examiner, expert, or employee of the board who is engaged in making examinations or investigations.

(b) Except as provided in section 8 of this chapter, all entities shall be charged the actual cost of performing the examination or investigation.

Sec. 5. (a) The state examiner, not more often than monthly, shall certify to the proper disbursing officer the total amount of expense incurred for the examination of:

(1) any unit of state government or entity that is required by law to bear the costs of its own examination and operating expense; or

(2) any utility owned or operated by a political subdivision or any department of the political subdivision, if the utility is operated from revenues or receipts other than taxation.

(b) Upon receipt of the state examiner's certificate, the unit of state government, entity, or utility shall immediately pay to the treasurer of state the amount charged. The money, when received by the treasurer of state, shall be deposited in the state general fund.

Sec. 6. In addition to other charges provided in this chapter, the state examiner may charge a reasonable fee for typing and processing reports of examinations in the same manner as other charges are made under this chapter.

Sec. 7. There is created a trust and agency fund in the hands of the state examiner to be used by the state examiner for the payment of the expense of typing reports of examinations. Fees charged for typing reports of examinations shall be deposited into the trust and agency fund.

Sec. 8. A political subdivision that contracts for services with a volunteer fire department may pay the cost of an examination or investigation of the volunteer fire department under this chapter.

Sec. 9. Each of the following units of state government and eligible federal projects shall bear the direct and indirect costs of its own examination from the following designated funds:

(1) The following from the motor vehicle account fund:

(A) Indiana department of transportation (except toll project costs and expenses).

(B) Bureau of motor vehicles and bureau of motor vehicles commission (including branch offices).

(C) Motor fuel tax division.

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(D) State police department.

(E) Traffic safety functions under IC 9-27-2.

(2) Indiana state teachers' retirement fund from money accruing to that fund.

(3) The alcohol and tobacco commission from money accruing to the commission's enforcement and administration fund.

(4) The Indiana department of transportation, for the costs and expenses related to a particular toll project, from any special fund established for revenues from that project.

(5) The state fair commission from the state fair fund.

(6) The state colleges and universities from state appropriations. However, colleges and universities shall not be charged at a rate higher than that charged to local taxing units under section 4 of this chapter.

(7) Eligible federal grants and projects from money provided by the federal government or as are properly chargeable to a grant or project or as are recoverable through an indirect cost allocation recovery approved by the federal government.

Sec. 10. A disbursing officer may make a disbursement or payments required under this chapter without any appropriation being made for the disbursement or payment.

Chapter 5. Reports of Examinations by the State Board of Accounts; Recovery of Public Funds

Sec. 1. (a) Whenever an examination is made under this article, a report of the examination shall be made. The report must:

- (1) include a list of findings;
- (2) be signed and verified by the examiner making the examination; and
- (3) be filed immediately with the state examiner.

(b) After inspection of the report, the state examiner shall immediately file:

- (1) one (1) copy with the officer or person examined;
- (2) one (1) copy with the auditing department of the political subdivision examined and reported upon; and
- (3) if the report relates to the examination of:
 - (A) state agencies;
 - (B) instrumentalities of the state; or
 - (C) federal funds administered by the state;
 one (1) copy of the report with the legislative services agency, as staff to the general assembly.

(c) Upon filing, the report becomes a part of the public records of the following:

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- (1) The office of the state examiner.
- (2) The office or the person examined.
- (3) The auditing department of the political subdivision examined and reported upon.
- (4) The legislative services agency, as staff to the general assembly.

A report is open to public inspection at all reasonable times after it is filed.

(d) Before an examination report is signed, verified, and filed as required by subsection (a), the officer or the chief executive officer of the state office, political subdivision, or entity examined must have an opportunity to review the report and to file with the state examiner a written response to that report. If a written response is filed, the response becomes a part of the examination report that is signed, verified, and filed as required by subsection (a).

Sec. 2. If an examination discloses malfeasance, misfeasance, or nonfeasance in office or of any officer or employee, a copy of the report required under this chapter, signed and verified, shall be placed by the state examiner with the attorney general. The attorney general shall diligently institute and prosecute civil proceedings against the delinquent officer or upon the officer's official bond, or both, and against any other proper person that will secure to the state or to the proper political subdivision the recovery of any money misappropriated, diverted, or unaccounted for.

Sec. 3. (a) Except as provided in section 2 of this chapter, it is unlawful for a deputy examiner, field examiner, or private examiner, before an examination report is made public as provided by this chapter, to make any disclosure of the result of an examination of a public account, except to the state examiner or if directed to give publicity to the examination report by the state examiner or by a court.

(b) If an examination report shows or discloses the commission of a crime by any person, it is the duty of the state examiner to transmit and present the examination report to the grand jury of the county in which the crime was committed at its first session after the examination report is made and at any subsequent sessions that may be required.

(c) The state examiner shall furnish to the grand jury all evidence at the state examiner's command necessary in the investigation and prosecution of the crime.

Sec. 4. Upon the written request of the attorney general, the

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1 prosecuting attorney of the circuit court having jurisdiction of an
 2 action under this chapter shall appear with the attorney general in
 3 all causes begun by the attorney general for the recovery of money
 4 or for whatever purposes growing out of the examination or
 5 report. A prosecuting attorney shall comply with the orders of the
 6 attorney general relating to the prosecution of an action under this
 7 chapter.

8 Sec. 5. (a) The attorney general, by and with the consent of the
 9 state examiner and deputy examiners, may compromise and adjust
 10 an action brought by the attorney general under this article.

11 (b) In all cases where the attorney general recovers money
 12 under this article, the attorney general shall:

13 (1) immediately pay the money into the treasury of the state
 14 or of the political subdivision to which the money belongs; and

15 (2) have the money distributed among the proper funds.

16 (c) The attorney general may, and shall, upon the order of the
 17 governor, appeal an adverse decision in an action to the court of
 18 appeals or the supreme court, or both.

19 (d) The state examiner, deputy examiners, field examiners, and
 20 any private examiner shall use reasonable diligence in making
 21 investigations and in furnishing and securing evidence in
 22 connection with the prosecution of actions concerning examination
 23 reports whenever requested by the attorney general. Reasonable
 24 per diem and expenses incurred by an examiner shall be paid in the
 25 amount and in the manner provided by law in case of
 26 examinations.

27 Sec. 6. (a) An action brought by the attorney general under this
 28 article may be brought in the name, as plaintiff, of the state of
 29 Indiana or the political subdivision as it appears is entitled to
 30 recover money or to secure other relief under an action.

31 (b) If the action is brought on an official bond or official bonds,
 32 the cause may be brought in the name of the state of Indiana on the
 33 relation of the plaintiff.

34 (c) In an action against a township trustee or a former township
 35 trustee or upon the trustee's official bond, both the civil and school
 36 corporations may be named as plaintiff or relator in the same
 37 action, and recovery may be had for the total amount due both
 38 corporations, but the court or jury trying the case shall, in the
 39 finding or verdict, state the amount due each corporation.

40 (d) In an action where a county executive (as defined in
 41 IC 36-1-2-5) is plaintiff or relator, the plaintiff is entitled to recover
 42 against the delinquent officer or former officer or upon the

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officer's official bond or bonds all amounts as would be recoverable under Indiana law, including this chapter, in any action by or upon the relation of the:

- (1) county executive (as defined in IC 36-1-2-5); or
- (2) a county officer or other person authorized to sue for whatever money, or for any money of which it is the custodian and with which it is chargeable.

If any of the money recovered is school money, the court or jury trying the case shall find and state the amount owed the school.

(e) In any action brought under this article, the plaintiff is entitled to recover, in addition to the amount misappropriated, diverted, or unaccounted for, all penalties and interest recoverable under laws other than this chapter.

Sec. 7. (a) Except as provided in subsection (b), the remedies provided for in this chapter are cumulative, and this chapter does not abridge the rights of other officers to sue on behalf of political subdivisions.

(b) When the attorney general brings an action under this chapter, no other action may be brought for the same matter while the action brought by the attorney general is pending.

Sec. 8. (a) The board or a person designated in writing by the board may collect any of the following:

- (1) Unpaid fines, costs, or fees that are imposed for violations of statutes defining a crime or an infraction and that are owed to the state or political subdivisions of the state.
- (2) Money owed resulting from bond forfeitures under IC 35-33-8-7.
- (3) Unpaid user's fees incurred under a pretrial diversion agreement by a person charged with a misdemeanor, an infraction, or an ordinance violation.

(b) The board or the board's agent may compromise the amount of money owed in collecting money under this section.

(c) The costs of collection, including but not limited to reasonable attorney's fees, may be added to money that is owed and collected under this section. However, the costs of collection may not exceed the amount of money that is owed.

(d) When money is collected under this section, the board or the board's agent shall deposit the money, less the costs of collection, in accounts to the credit of the state or a political subdivision as required by law.

(e) The costs of collecting money under this section shall be determined by the board and shall be paid from money collected.



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1 **Sec. 9. (a)** Upon written request of a public library, the state
 2 examiner shall file with the library, without cost to the library, a
 3 copy of each report of an examination concerning a political
 4 subdivision, state agency, public hospital, license branch, or other
 5 entity that is located in the same county as the library.

6 **(b)** This section does not require the state examiner to:

7 **(1)** file copies of reports completed before the receipt of a
 8 request; or

9 **(2)** file a copy of any report with more than one (1) public
 10 library located in the same county.

11 **(c)** Copies of reports filed under this section are open to public
 12 inspection during hours that the library is open to the public.

13 **(d)** After a library has been granted a request to receive copies
 14 of reports under this section, the library may continue as the
 15 repository for those reports if it files an annual renewal of its
 16 request in writing with the board before January 15 of each year.

17 **Chapter 6. Additional Powers of the State Examiner and**
 18 **Attorney General**

19 **Sec. 1. (a)** The state examiner, a deputy examiner, a field
 20 examiner, or a private examiner, upon the petition of twenty-five
 21 (25) interested taxpayers showing that effective local relief has not
 22 and cannot be obtained after due effort, shall make the inquiries,
 23 tests, examinations, and investigations that are necessary to
 24 determine whether:

25 **(1)** a public contract has been regularly and lawfully executed
 26 and performed; or

27 **(2)** a public work, building, or structure has been or is being
 28 performed, built, or constructed in accordance with the terms
 29 and provisions of the contract and in compliance with the
 30 plans and specifications, if any.

31 Upon a written petition of twenty-five (25) taxpayers, the state
 32 examiner may also require that all plans, specifications, and
 33 estimates be submitted to the state examiner for corrections and
 34 approval before a contract is awarded.

35 **(b)** The state examiner, a deputy examiner, a field examiner, or
 36 a private examiner when engaged in making an inquiry, a test, an
 37 examination, or an investigation under subsection (a):

38 **(1)** is entitled to examine and inspect any public records,
 39 documents, data, contracts, plans, and specifications
 40 contained or found in any public office or other place
 41 pertaining or relating to the public contract or public work,
 42 building, or structure;

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(2) may issue a subpoena to witnesses to appear before the examiner in person or to produce books and papers for inspection and examination; and

(3) may enforce attendance and answers to questions and interrogatories, as provided by law, with respect to examinations and investigations made of public offices.

(c) The state examiner, a deputy examiner, a field examiner, and a private examiner may administer oaths and examine witnesses under oath either orally or by interrogatories on all matters under examination and investigation. Under order of the state examiner, the examination may be transcribed, with the reasonable expense paid by the political subdivision in the same manner as the compensation of the field examiner is paid.

(d) The state examiner, a deputy examiner, a field examiner, and a private examiner, when making an examination or investigation under subsection (a), shall examine, inspect, and test the public works, buildings, or structures in the manner that the examiner sees fit to determine whether it is being performed, built, or constructed according to the contract and plans and specifications.

Sec. 2. The state examiner shall file a report covering an examination or investigation that discloses:

(1) fraud, collusion, misconduct, or negligence in the letting or the execution of a public contract or in the performance of any of the terms and conditions of a public contract; or

(2) failure to comply with the terms or conditions of a public contract in the construction of a public work, building, or structure or failure to perform, build, or construct according to the plans and specifications, if any, provided in the contract;

that causes loss, injury, waste, or damage to the state, a political subdivision, taxing or assessment district, other public entity, or Indiana's citizens, if it is enforceable by assessment or taxation.

Sec. 3. (a) An examiner making a report under section 2 of this chapter must do the following:

(1) Make four (4) copies of the report.

(2) Sign and verify the report.

(3) File the report promptly with the state examiner.

(b) After inspection of the report, the state examiner shall file a copy of the report with the attorney general.

(c) The attorney general shall diligently institute and prosecute civil proceedings against any or all officers, individuals, and

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persons in the form and manner that the attorney general determines will secure a proper recovery to the state, political subdivision, taxing or assessment district, or other public entity injured, defrauded, or damaged by the matters in the report. The prosecutions may be made by the attorney general, and the recovery may be had upon public official bonds, contractors' bonds, surety or other bonds, or upon individual liability, either upon contract or in tort, as the attorney general determines.

(d) An action or a recovery in any form or manner or against any party or parties does not preclude further or additional action or recovery in any other form or manner or against another party, either concurrently with or later found necessary, to secure complete recovery and restitution with respect to all matters exhibited, set forth, or described in the report. An action may be brought in the name of the state of Indiana on the relation of the attorney general for the benefit of the state, the political subdivision, taxing or assessment district, or other public entity that may be proper. The actions brought against any defendants may be joined, as to parties, form, and causes of action, in the manner that the attorney general decides.

(e) A report made under this section or a copy certified by the state examiner shall be taken and received in all Indiana courts as prima facie evidence of the facts stated and contained in the report.

(f) If an examination, an investigation, or a test is made without a petition first being filed and the examination, investigation, or test shows that the terms of the contract are being complied with, then the expense of the examination, investigation, or test shall be paid by the state upon vouchers approved by the state examiner from money available for contractual service of the board.

(g) If a report shows misfeasance, malfeasance, or nonfeasance in public office or shows that the terms of the plans and specifications under which a contract has been awarded are not being complied with, it is unlawful to make the report public until the report has been certified to the attorney general.

Sec. 4. The provisions of section 3 of this chapter relating to the powers and duties of the attorney general apply to all reports of the state examiner, as provided in section 3 of this chapter.

Sec. 5. If an examination or investigation made by the state examiner, a deputy examiner, a field examiner, or a private examiner under this chapter or any other statute discloses:

(1) malfeasance, misfeasance, or nonfeasance in office or of any officer or employee;

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(2) that any public money has been:

- (A) unlawfully expended, either by having been expended for a purpose not authorized by law, in an amount exceeding that authorized by law, or by having been paid to a person not lawfully entitled to receive the money; or
- (B) obtained by fraud or in any unlawful manner; or

(3) that any money has been wrongfully withheld from the public treasury;

a verified copy of the report shall be submitted by the state examiner to the attorney general, who shall institute and prosecute civil proceedings as provided in section 3 of this chapter.

Sec. 6. (a) If a report is filed with the attorney general that discloses an offense, the state examiner shall present a certified copy of the report and competent testimony supporting the charges made in the report to the grand jury of the county in which the offense is alleged to have been committed at its first convenient session. The attorney general shall direct, supervise, and assist in the prosecution of the offense before the grand jury and in the courts.

(b) The per diem and actual expenses of all field examiners or private examiners required by the state examiner, the attorney general, or any prosecuting attorney to attend sessions of a grand jury or trial in connection with the prosecution shall be paid by the state upon vouchers approved by the state examiner from funds available for office and traveling expenses for the board.

Sec. 7. (a) This section applies when a report is certified to the attorney general by the state examiner under this article charging a public official, a former public official, or any other person named in the report with:

- (1) illegally receiving;
- (2) illegally retaining;
- (3) failing to account for and pay over any money received; or
- (4) illegally expending public money or money placed in the custody of the public official or former public official by authority of law.

(b) If the attorney general brings an action for the recovery of money, the action shall be brought in the name of the state of Indiana upon the relation of the attorney general as plaintiff.

Sec. 8. Whenever the proper fiduciary officer of the government of a county requests the board to correct the financial records of the county government by a showing that money of the county has been taken or withdrawn by unlawful means and that remedies are

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1 exhausted, the board shall investigate and determine the veracity
 2 of the showing and proceed with the correction of the records in
 3 the manner required by IC 5-13-13-8, IC 5-13-14-1, and
 4 IC 5-13-14-2 for lost money of political subdivisions.

5 **Chapter 7. Executive Officers' Annual Report to the State**
 6 **Board of Accounts**

7 **Sec. 1. (a) Each official and executive officer of:**

- 8 (1) the state;
- 9 (2) a political subdivision; or
- 10 (3) an agency of:
 - 11 (A) the state;
 - 12 (B) a political subdivision; or
 - 13 (C) a state educational institution;

14 whether elected or appointed, shall during January of each year
 15 prepare, make, and sign a written or printed certified report,
 16 correctly and completely showing the information required by
 17 subsection (b).

18 (b) A report required by subsection (a) must contain the
 19 following information:

20 (1) The names and addresses of each:

- 21 (A) officer;
- 22 (B) employee; and
- 23 (C) agent;

24 in the official or executive officer's office, agency, or
 25 institution.

26 (2) The respective duties and compensation of each officer,
 27 employee, and agent described in subdivision (1).

28 (c) Except as provided in subsection (d), an official or executive
 29 officer shall file a report under this chapter in the office of the state
 30 examiner.

31 (d) Not more than one (1) report covering the same officers,
 32 employees, and agents is required from an official or executive
 33 officer in any one (1) year.

34 **Sec. 2. The state examiner shall accept all reports required**
 35 **under this chapter for filing. The reports are open to public**
 36 **inspection and examination at reasonable times.**

37 **Sec. 3. (a) A person who violates section 1 of this chapter**
 38 **commits a Class C infraction.**

39 (b) If section 1 of this chapter is violated by:

- 40 (1) an elected state officer, the officer is subject to
- 41 impeachment; and
- 42 (2) any other person, the person is subject to removal for

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1 neglect of duty under the procedures described in
2 IC 34-17.

3 **Chapter 8. Annual Conference of Local Fiscal Officers**

4 **Sec. 1. As used in this chapter, "official" includes:**

- 5 (1) an elected official;
- 6 (2) an individual elected to an office; or
- 7 (3) a deputy or an assistant to an elected official;

8 who is entitled to attend a conference under this chapter.

9 **Sec. 2. (a) The board shall annually call a conference of each of**
10 **the following:**

- 11 (1) County auditors and auditors-elect.
- 12 (2) County treasurers and treasurers-elect.
- 13 (3) Circuit court clerks and circuit court clerks-elect.
- 14 (b) Each of the conferences called under subsection (a):
- 15 (1) must be held at a time and place fixed by the state
- 16 examiner;
- 17 (2) may be held statewide or by district; and
- 18 (3) may not continue for more than three (3) days in any one
- 19 (1) year.

20 (c) The following training must be provided at each conference
21 called under subsection (a):

- 22 (1) The proper use of forms prescribed by the board.
- 23 (2) The keeping of the records of the respective offices.
- 24 (3) At the conference for county treasurers and
- 25 treasurers-elect, investment training by the following:
- 26 (A) The treasurer of state.
- 27 (B) The board for depositories.
- 28 (C) Any other person the state examiner considers
- 29 competent to provide investment training.
- 30 (4) Any other training that, in the judgment of the state
- 31 examiner, will result in the better conduct of the public
- 32 business.

33 (d) The state examiner may hold other conferences for:

- 34 (1) the officials described in subsection (a); or
- 35 (2) other county, city, or township officers;

36 whenever the state examiner believes conferences are necessary.

37 **Sec. 3. Whenever a conference is called by the board under this**
38 **chapter, an elected official, at the direction of the state examiner,**
39 **may require the attendance of:**

- 40 (1) each of the elected official's appointed and acting chief
- 41 deputies or chief assistants; and
- 42 (2) if the number of deputies or assistants employed:

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- (A) does not exceed three (3), one (1) of the elected official's appointed and acting deputies or assistants; or
 (B) exceeds three (3), two (2) of the elected official's appointed and acting deputies or assistants.

Sec. 4. (a) An official attending a conference under this chapter shall be allowed all the following:

(1) Subject to subsection (b), for each mile necessarily traveled in going to and returning from the conference by the most expeditious route, a sum for mileage equal to that sum per mile paid to state officers and employees. The rate per mile shall change each time the state government changes its rate per mile.

(2) An allowance for lodging for each night preceding conference attendance equal to the lodging allowance provided to state employees in travel status. However, lodging expense, in the case of a one (1) day conference, shall be allowed only for persons who reside at least fifty (50) miles from the conference location.

(3) Subsistence for meals for each day in attendance in an amount equal to the daily subsistence rate for meals for state employees in travel status.

(b) Regardless of the duration of the conference, only one (1) mileage reimbursement shall be allowed to the official furnishing the conveyance, even if the official transports more than one (1) person.

(c) The board shall certify the number of days of attendance and the mileage for each conference to each official attending a conference under this chapter.

Sec. 5. Payment of mileage and per diem shall be made by the proper disbursing officer in the manner provided by law on a verified claim or voucher to which shall be attached the certificate of the board showing the number of days attended and the number of miles traveled. All payments shall be made from the state general fund from any money not otherwise appropriated and without any previous appropriation being made for the expense.

Sec. 6. The board shall annually conduct a training institute for clerk-treasurers and may conduct a training institute for city clerks, either statewide or by districts. This chapter is applicable to the training institute.

SECTION 5. IC 4-6-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. The attorney general of Indiana is hereby authorized to appoint and employ special deputies attorney



1 general to assist in the conduct and prosecution of any civil
 2 proceedings which the attorney general is required to bring for the
 3 purpose of recovering any public funds in behalf of any city, town,
 4 township, county, or other governmental unit or public entity of the
 5 state under and pursuant to ~~IC 5-11-5, IC 5-11-6, IC 5-11-7, IC 2-8-5,~~
 6 **IC 2-8-6**, or any other statute enacted on or after March 11, 1955,
 7 authorizing or requiring the attorney general to bring any such civil
 8 proceedings for the recovery of any such public funds.

9 SECTION 6. IC 4-13-1-15, AS AMENDED BY P.L.5-1995,
 10 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2003]: Sec. 15. The provisions of this chapter shall in no way
 12 restrict the powers of the state board of accounts as prescribed by
 13 ~~IC 5-11-1 IC 2-8-2~~ and shall in no way restrict the powers and
 14 functions of the ~~Indiana~~ state police **department** as prescribed by
 15 IC 10-1-1; nor shall the provisions of this chapter except
 16 IC 4-13-1-4(1) and ~~(3)~~ **IC 4-13-1-4(3)** apply to the state universities
 17 and Ivy Tech State College.

18 SECTION 7. IC 5-14-3-5 IS AMENDED TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) If a person is arrested or
 20 summoned for an offense, the following information shall be made
 21 available for inspection and copying:

- 22 (1) Information that identifies the person, including ~~his~~ **the**
 23 **person's** name, age, and address.
- 24 (2) Information concerning any charges on which the arrest or
 25 summons is based.
- 26 (3) Information relating to the circumstances of the arrest or the
 27 issuance of the summons, such as the:
 - 28 (A) time and location of the arrest or the issuance of the
 29 summons;
 - 30 (B) investigating or arresting officer (other than an undercover
 31 officer or agent); and
 - 32 (C) investigating or arresting law enforcement agency.

33 (b) If a person is received in a jail or lock-up, the following
 34 information shall be made available for inspection and copying:

- 35 (1) Information that identifies the person, including ~~his~~ **the**
 36 **person's** name, age, and address.
- 37 (2) Information concerning the reason for the person being placed
 38 in the jail or lock-up, including the name of the person on whose
 39 order the person is being held.
- 40 (3) The time and date that the person was received and the time
 41 and date of ~~his~~ **the person's** discharge or transfer.
- 42 (4) The amount of the person's bail or bond, if it has been fixed.

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(c) An agency shall maintain a daily log or record that lists suspected crimes, accidents, or complaints, and the following information shall be made available for inspection and copying:

(1) The time, substance, and location of all complaints or requests for assistance received by the agency.

(2) The time and nature of the agency's response to all complaints or requests for assistance.

(3) If the incident involves an alleged crime or infraction:

(A) the time, date, and location of occurrence;

(B) the name and age of any victim, unless the victim is a victim of a crime under IC 35-42-4;

(C) the factual circumstances surrounding the incident; and

(D) a general description of any injuries, property, or weapons involved.

The information required in this subsection shall be made available for inspection and copying in compliance with this chapter. The record containing the information must be created not later than twenty-four (24) hours after the suspected crime, accident, or complaint has been reported to the agency.

(d) This chapter does not affect IC 5-2-4, IC 5-2-5, or ~~IC 5-11-1-9~~. **IC 2-8-3-1 through IC 2-8-3-6.**

SECTION 8. IC 5-15-5.1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) This chapter applies to records:

(1) open to the public and carrying no classification or restriction;

(2) required to be kept confidential by federal law, rule, or regulation;

(3) declared confidential by the general assembly; or

(4) declared confidential by a rule adopted under specific authority for confidential records granted to an agency by the general assembly.

(b) The provisions of this chapter do not apply to state supported colleges and universities, but the commission may offer its services to them.

(c) The provisions of this chapter shall in no way restrict the powers and duties of the state board of accounts as prescribed by ~~IC 5-11-1~~. **IC 2-8.**

SECTION 9. IC 5-21-2-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. The commission is subject to the jurisdiction of the ~~state~~ budget agency under IC 4-13-2 and the state board of accounts under ~~IC 5-11-1~~. **IC 2-8-2.**

SECTION 10. IC 6-1.1-29-8 IS AMENDED TO READ AS



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1 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. A county board of
 2 tax adjustment may employ an examiner of the state board of accounts
 3 to assist the county board with its duties. If the board desires to employ
 4 an examiner, it shall adopt a resolution which states the number of days
 5 that the examiner is to serve, when the county board files a copy of the
 6 resolution with the chief examiner of the state board of accounts, the
 7 state board of accounts shall assign an examiner to the county board of
 8 tax adjustment for the number of days stated in the resolution. When
 9 an examiner of the state board of accounts is employed by a county
 10 board of tax adjustment under this section, the county shall pay the
 11 expenses related to ~~his~~ **the examiner's** services in the same manner
 12 that expenses are to be paid under ~~IC 1971, 5-11-4-3~~ **IC 2-8-4**.

13 SECTION 11. IC 10-2-2-22 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 22. The state examiner,
 15 personally or through the deputy examiners, field examiners, or private
 16 examiners, shall make a full and complete examination and report of
 17 all transactions of all individuals, persons, trustees, boards, banks,
 18 firms, corporations, and others engaged in the acquisition of sites for
 19 and the construction of state armories, including examination of:

- 20 (1) the plans and specifications of armories;
- 21 (2) construction work performed or being performed;
- 22 (3) the records of bonds issued and redeemed or proposed to be
 23 issued;
- 24 (4) the records of all lease contracts for building or maintaining
 25 armories;
- 26 (5) the records of receipts and earnings of all armories, except
 27 those earnings and receipts arising from shows, benefits, and
 28 other similar activities engaged in by members of the armories
 29 and other volunteers for the use and benefit of the members; and
 30 (6) all money handled by the board or boards, by trustees of state
 31 armories, by the state armory board or local armory boards, or by
 32 the adjutant general, including all appropriations made for
 33 armories by the general assembly.

34 All powers conferred upon the state examiner, deputy examiner, field
 35 examiner, private examiner, and the attorney general under ~~IC 5-11-6~~
 36 **IC 2-8-6** by petition are conferred upon these officers, examiners, and
 37 the department without any petition. All the powers given these
 38 officers, examiners, and the department under any other statute may be
 39 used for the purpose of carrying out this chapter.

40 SECTION 12. IC 20-12-0.5-4 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. The commission
 42 shall be treated as a public institution for the purposes of ~~IC 5-11-1~~



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1 **IC 2-8-2** and subject to the jurisdiction of the state board of accounts
 2 as provided in that chapter. IC 4-13-1, IC 4-13-2, and IC 4-13.6 apply
 3 to the commission only to the same extent as these provisions apply to
 4 state educational institutions.

5 SECTION 13. IC 36-2-13-9 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) After ~~his~~
 7 **of the sheriff-elect** and before ~~he~~ **the sheriff-elect** assumes the duties
 8 of ~~his~~ **the sheriff-elect's** office, the sheriff-elect may attend the
 9 sessions of a training school that:

- 10 (1) offers courses of instruction for sheriffs;
- 11 (2) is established by Indiana University, Purdue University,
 12 Indiana University and Purdue University, the state police
 13 department, or the Indiana sheriffs' association; and
- 14 (3) teaches methods of crime detection and offers courses from
 15 the state board of accounts on office routine and accounting.

16 (b) On presentation of proper charges or receipts and with the
 17 approval of the county executive, the county auditor may issue ~~his~~ **the**
 18 **county auditor's** warrant for the following expenses of the sheriff-elect
 19 in attending a school under this section:

- 20 (1) Any tuition charged by the school.
- 21 (2) A sum for mileage, lodging, and meals equal to the sum
 22 allowed county officers under ~~IC 5-11-14-1~~ **IC 2-8-8-4**.

23 SECTION 14. IC 36-6-4-3, AS AMENDED BY P.L.2-2002,
 24 SECTION 108, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2003]: Sec. 3. The executive shall do the
 26 following:

- 27 (1) Keep a written record of official proceedings.
- 28 (2) Manage all township property interests.
- 29 (3) Keep township records open for public inspection.
- 30 (4) Attend all meetings of the township legislative body.
- 31 (5) Receive and pay out township funds.
- 32 (6) Examine and settle all accounts and demands chargeable
 33 against the township.
- 34 (7) Administer poor relief under IC 12-20 and IC 12-30-4.
- 35 (8) Perform the duties of fence viewer under IC 32-26.
- 36 (9) Act as township assessor when required by IC 36-6-5.
- 37 (10) Provide and maintain cemeteries under IC 23-14.
- 38 (11) Provide fire protection under IC 36-8.
- 39 (12) File an annual personnel report under ~~IC 5-11-13~~ **IC 2-8-7**.
- 40 (13) Provide and maintain township parks and community centers
 41 under IC 36-10.
- 42 (14) Destroy detrimental plants, noxious weeds, and rank



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1 vegetation under IC 15-3-4.

2 (15) Provide insulin to the poor under IC 12-20-16.

3 (16) Perform other duties prescribed by statute.

4 SECTION 15. IC 36-7-18-37 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 37. (a) The state board
6 of accounts shall prescribe methods and forms for keeping the
7 accounts, records, and books to be used by a housing authority, and
8 shall prescribe accounts to which particular outlays and receipts are to
9 be entered, charged, or credited.

10 (b) The state board of accounts shall require a housing authority to
11 file periodic reports with it, but not more often than quarterly or less
12 often than annually. The report must cover the operations and activities
13 of the authority, in a form prescribed by the board. The board may from
14 time to time require the report to include specific answers to questions
15 upon which the board desires information. The authority shall keep
16 copies of all periodical reports on file in its office and make them
17 available for examination by the public.

18 (c) The state board of accounts shall periodically audit the books,
19 records, and accounts of housing authorities. These audits shall be paid
20 for in the manner prescribed by ~~IC 5-11-4~~. **IC 2-8-4.**

21 SECTION 16. THE FOLLOWING ARE REPEALED [EFFECTIVE
22 JULY 1, 2003]: IC 5-11-1; IC 5-11-4; IC 5-11-5; IC 5-11-6; IC 5-11-7;
23 IC 5-11-13; IC 5-11-14; IC 5-11-19.

24 SECTION 17. [EFFECTIVE JULY 1, 2003] (a) **On July 1, 2003,**
25 **the state board of accounts established by IC 5-11-1-1 is abolished,**
26 **and all its powers, duties, and functions are transferred to the state**
27 **board of accounts established by IC 2-8-2-1, as added by this act.**

28 (b) **This SECTION expires July 2, 2003.**

29 SECTION 18. [EFFECTIVE JULY 1, 2003] (a) **On July 1, 2003,**
30 **the appropriations, funds, property, and records of the state board**
31 **of accounts established by IC 5-11-1-1 are transferred to the state**
32 **board of accounts established by IC 2-8-2-1, as added by this act.**

33 (b) **This SECTION expires July 2, 2003.**

34 SECTION 19. [EFFECTIVE JULY 1, 2003] (a) **The state**
35 **examiner and deputy examiners serving with the state board of**
36 **accounts established by IC 5-11-1-1 on June 30, 2003, shall serve**
37 **the remainder of their terms with the state board of accounts**
38 **established by IC 2-8-2-1, as added by this act.**

39 (b) **A vacancy in the office of state examiner or deputy examiner**
40 **after June 30, 2003, shall be filled by the legislative council.**

41 (c) **For purposes of IC 2-8-3, as added by this act, service with**
42 **the state board of accounts established by IC 5-11-1-1 shall be**

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1 treated as service with the state board of accounts established by
2 IC 2-8-2-1, as added by this act.

3 SECTION 20. [EFFECTIVE JULY 1, 2003] After June 30, 2003,
4 a reference to the state board of accounts established by
5 IC 5-11-1-1 in any statute or rule shall be treated as a reference to
6 the state board of accounts established by IC 2-8-2-1, as added by
7 this act.

8 SECTION 21. [EFFECTIVE JULY 1, 2003] Any rules, manuals,
9 forms, directives, and bylaws of the state board of accounts
10 established by IC 5-11-1-1 filed with the secretary of state before
11 July 1, 2003, shall be treated after June 30, 2003, as though the
12 rules, manuals forms, directives, and bylaws had been adopted by
13 the state board of accounts established by IC 2-8-2-1, as added by
14 this act.

15 SECTION 22. [EFFECTIVE JULY 1, 2003] (a) On July 1, 2003,
16 the employees of the state board of accounts established by
17 IC 2-8-2-1, as added by this act, shall initially be composed of the
18 employees of the state board of accounts established by IC 5-11-1-1
19 who are employed on June 30, 2003.

20 (b) This SECTION expires July 2, 2003.

21 SECTION 23. [EFFECTIVE JULY 1, 2003] On July 1, 2003, any
22 appropriations made to the state board of accounts established by
23 IC 5-11-1-1 are transferred to the state board of accounts
24 established by IC 2-8-2-1, as added by this act.

25 SECTION 24. [EFFECTIVE JULY 1, 2003] (a) As used in this
26 SECTION, "committee" refers to the interim study committee on
27 local government financial reporting established by this SECTION.

28 (b) There is established the interim study committee on local
29 government financial reporting to prepare legislation for
30 introduction in the 2004 regular session of the general assembly as
31 appropriate to implement this act. The committee shall study:

32 (1) what towns, if any, determined by population, shall be
33 required to prepare financial reports using generally accepted
34 accounting principles; and

35 (2) what amount the board should charge per day for the
36 audit services.

37 (c) The committee shall make a recommendation to the
38 legislative council concerning what constitutes an appropriate fee
39 under IC 2-8-4-4, as added by this act.

40 (d) The committee shall operate under the policies governing
41 study committees adopted by the legislative council.

42 (e) The committee must include two (2) nonvoting members

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each from the house of representatives and senate, the state examiner appointed under IC 2-8-2-2, as added by this act, one (1) representative from the state, and one (1) representative each from the organizations representing the cities, counties, towns, and hospitals affected by this act.

(f) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure, including final reports.

(g) This SECTION expires December 31, 2003.

SECTION 25. [EFFECTIVE JULY 1, 2003] (a) Subject to subsection (b), the legislative council shall adopt a pay scale for individuals who:

(1) were, on June 30, 2003, employees of the state board of accounts established by IC 5-11-1-1; and

(2) transfer to the state board of accounts established by IC 2-8-2-1, as added by this act, on July 1, 2003.

(b) The salary of an individual who:

(1) was an employee of the state board of accounts established by IC 5-11-1-1 on June 30, 2003; and

(2) transfers to the state board of accounts established by IC 2-8-2-1, as added by this act, on July 1, 2003,

may not be reduced below the employee's salary on June 30, 2003.

SECTION 26. [EFFECTIVE JULY 1, 2003] After June 30, 2003, a field examiner or other employee of the state board of accounts established by IC 5-11-1-1 who becomes an employee of the state board of accounts established by IC 2-8-2-1, as added by this act:

(1) remains a member of the retirement fund or pension plan of which the employee was a member on June 30, 2003;

(2) is entitled to have the field examiner's or employee's service under the state board of accounts established by IC 5-11-1-1 included in computing all applicable rights and benefits with the state board of accounts established by IC 2-8-2-1, as added by this act; and

(3) retains all rights and benefits acquired in the field examiner's or employee's former position with the state board of accounts established by IC 5-11-1-1.

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